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Incident Number: 140016249 Nature: Fraud

Incident Date: 01/21/15

INVESTIGATIVE REPORT SUMMARY

DETECTIVE: Annette Scholl

DATE: 01/21/15

CASE: 14-16249

I have been working as a property crimes detective for the Federal Way Police Department for seven years and am mainly working forgery, theft, financial exploitation of elderly and identity theft cases. My total law enforcement experience and training encompasses 15 years.

I was assigned this case and reviewed it. I gleaned from reading Officer Lemmon's report that suspect Rosemary Hibbler used to be the Program Manager for Sober Solutions Transitional Housing Services LLC owned by Patricia and Vincent Sewell.

Patrick Halligan, the Sewell's accountant assessed the finances and discovered an alleged misappropriation of funds which involved Hibbler writing checks to herself for above agreed upon amounts, writing checks to others and having them cashed and withdrawing funds from the Program's Chase Bank account and depositing the funds into a Wells Fargo account that was not associated with the program.

In a signed, written statement, Patricia Sewell reported "Hibbler has access to my accounts used it in my property management business."

The Sewells hired Hibbler in October 2013 as a contractor.

In her resume, Rosemary Hibbler described herself as an "Experienced Financial Records Keeper." Additionally, in an e-mail Hibbler stated that she used to serve as the Treasurer for Tacoma Public School Headstart Family council.

The documents provided to police also contained copies of withdrawal slips with the name "Rosemary Hibbler" as the customer and what appeared to be her signature at the bottom of each withdrawal slip. I noted that on 04/15/14 Hibbler was listed as the customer who withdrew \$12,000 from the checking account (#xxx0752) belonging to Sober Solutions. The withdrawal slip stated "If Purchasing a Cashier's Check Provide Payee Name" and "Wells Fargo Bank" was listed as the payee.

I located a Chase Bank withdrawal slip dated 04/19/14 with "Rosemary Hibbler" listed as the customer and what appeared to be her signature affixed to the slip. This was a withdrawal for \$5,000 from Sober Solutions account #xxx0752. The withdrawal slip stated "If Purchasing a Cashier's Check Provide Payee Name" and "Wells Fargo" was listed as the payee.

I located a Chase Bank withdrawal slip dated 04/09/14 with "Sober Solutions" listed as the customer and what appeared to be Hibbler's signature affixed to the slip. This was a withdrawal for \$1,500 from Sober Solutions account #xxx0752. The withdrawal slip stated "If Purchasing a Cashier's Check Provide Payee Name" and "Wells Fargo" was listed as the payee.

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I located a Chase Bank withdrawal slip dated 04/08/14 with "Rosemary H" listed as the customer and what appeared to be her signature affixed to the slip. This was a withdrawal for \$2,000 from Sober Solutions account #xxx0752. The withdrawal slip stated "If Purchasing a Cashier's Check Provide Payee Name" and "Wells Fargo Bank" was listed as the payee.

I located a Chase Bank withdrawal slip dated 04/24/14 with "Sober Solutions" listed as the customer and what appeared to be Hibbler's signature affixed to the slip. This was a withdrawal for \$3,540 from Sober Solutions account #xxx0752. The withdrawal slip stated "If Purchasing a Cashier's Check Provide Payee Name" and "Wells Fargo Bank" was listed as the payee.

I conducted a criminal history check on Hibbler and noted two prior felony theft convictions on her record (Theft 1 and 2).

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I obtained an audio taped statement from Patricia Sewell and Vincent Sewell. I conducted the interviews separately. Both Vincent and Patricia reported that Rosemary Hibbler was hired as a contractor and authorized \$1,700 a month as payment for her services. Both reported that they knew she was writing checks against their Chase Bank business account and it was okay for Hibbler to write checks. Both stated that any money made payable to Hibbler in excess of \$1,700 in one month was not authorized.

Since I had obtained copies of checks made out to other people, I asked Vincent about those checks. He informed me that Hibbler had hired Sober Solutions residents to do some work for her and that those checks were authorized. As such checks not made out to Rosemary Hibbler are not a part of this case.

During my interview with Patricia and Vincent Sewell it became clear that Sober Solutions LLC had limited if any financial safeguards in place in terms of Hibbler's use of and leeway with the business' money.

After the interview, I e-mailed copies of the checks made out to Rosemary Hibbler to Pat Sewell with the request to take them to Chase Bank and find out where each check was cashed or deposited given that the money had come from the Sewell's business account.

Subsequently Pat Sewell e-mailed me copies of three cashier's checks from Chase Bank. Cashier's check number 1060908813 was dated 04/15/14 made out to Wells Fargo Bank in the amount of \$12,000. The back of this check was endorsed with a signature that appeared to be that of Rosemary Hibbler.

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I forwarded the Chase Bank cashier's check number 1060908813 (\$12,000) to Mike Barnes with Wells Fargo with the request to have it traced.

I met with the Sewell's accountant, Patrick Halligan at the Federal Way Police Department and obtained additional checks that spanned a time frame of May 2014 through December 2014. I perused the additional documents.

I located a Chase Bank withdrawal slip dated 05/01/14 that listed the customer name as "Rosemary Hibbler" and listed what appeared to be her signature. The withdrawal was for \$2,500 from Sober Solutions account #xxx0752. The withdrawal slip stated "If Purchasing a Cashier's Check Provide Payee Name" and "Wells Fargo Bank" was listed as the payee. I forwarded a copy of this withdrawal slip to the Sewells with the request for a copy of the associated check/mo.

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I located a Chase Bank withdrawal slip that was missing the date but the post date (date when it was posted to the account) was 05/07/14. This withdrawal slip listed the customer name as "Sober Solutions" and listed what appeared to be Rosemary Hibbler's signature. The amount was \$4,000 and it was withdrawn from Sober Solutions account #xxx0752. The withdrawal slip stated "If Purchasing a Cashier's Check Provide Payee Name" and "Wells Fargo Bank" was listed as the payee. I forwarded a copy of this withdrawal slip to the Sewells with the request for a copy of the associated cashier's check or money order.

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I spoke with Chase Bank branch manager Ligaya Choo regarding the Chase Bank cashier's checks. Ligaya informed that neither of the checks could be deposited into a Chase Bank account since the payee was Wells Fargo. She informed me that as such each of the checks would have a stamp on the back that said "NOT FOR INTENDED PURPOSES." I looked at the back of each of the cashier's checks and they all said NOT FOR INTENDED PURPOSES. Ligaya referred me to her co-worker, Rachel, who has been looking into the checks for the Sewells.

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I forwarded copies of the cashier's checks numbered 1060908813, 1060908776, 1060908780, 1060908844, 1032111818 and 1060908871 to the Chase Bank Fraud Prevention team with the request for surveillance of the cashing of the checks.

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I spoke with Rachel, employee at Chase Bank regarding the six cashier's checks listed above. She confirmed that the money for each of them went back into the Sober Solutions LLC account on or around the time that the cashier's checks were purchased. As such the withdrawals for which I was able to obtain copies of cashier's checks from the Sewells did not consist of embezzled funds as Hibbler did not use the money for her personal gain with the intend to deprive the Sewell's of the money.

With this in mind, my investigation subsequently focused on any overpayment that exceeded \$1,700 a month relative to Hibbler's salary. I added up the salary amount that Hibbler should have been paid to Hibbler as her salary from January 2014 through November 2014 and I arrived at a total of \$18,700. Unfortunately Hibbler made out Sober Solution LLC checks payable to herself and the memo line on a lot of those checks stated that the money was for utilities and such. I have not been able to determine that Hibbler did not use the money as cash to pay for utilities or other work related expenses. Additionally, Hibbler had free reign of the company check book according to Pat and Vincent Sewell.

To determine whether Hibbler overpaid herself, I added up all the checks payable to Hibbler together with a few cash withdrawals payable to Hibbler that either contained the notation "Rosemary account" or "salary" or "loan" or did not list anything in the memo line. I arrived at a total of \$13,855.04 (compare this figure to \$18,700).

This case appeared to be largely civil in nature and the lack of safeguards and quality assurance hindered my ability to prove that Hibbler embezzled funds from Sober Solutions LLC with the intend to deprive the business of the money. I advised Patricia Sewell that according to Chase Bank, the above listed cashier's checks funds had been returned to the Sober Solutions account. There were additional cashier's checks that were still outstanding and I had contacted Patricia Sewell with the request to provide me with copies of the outstanding

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cashier's checks given that they were associated with funds from her business account. Patricia Sewell subsequently e-mailed me and stated that Chase Bank required a search warrant for the additional cashier's checks. I informed her that I did not have probable cause to obtain a warrant at this point. The Sewell's accountant, Patrick Halligan, also called me and told me that he has urged the Sewells to establish quality assurance and safeguards relative to their business practices for years unsuccessfully.

I contacted Rosemary Hibbler and scheduled an appointment to meet with her at the Federal Way Police Department on 01/21/15 at 1400 hrs.

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I met with Rosemary Hibbler at the Federal Way Police Department at 1400 hrs. The interview was also attended by Detective Vollmer. We interviewed Hibbler in the Twin Lakes room which is a conference room adjacent to the city hall lobby. I informed Hibbler that she was not in custody and was free to leave at any time.

I mirandized Hibbler. Hibbler stated that she understood her rights and wanted to provide an audio taped statement. During the interview Hibbler informed us that she was a co-signor on the Sober Solutions Transitional Housing Services account #xxx0752. I later contacted Ligaya Choo with Chase Bank and she confirmed that Hibbler had full authority over the account and was a co-signor for banking purposes.

I asked Hibbler about the large sum cash withdrawals, the six cashier's checks and the numerous bank check drawn on account #xxx0752 payable to Hibbler. Hibbler informed us that she paid business expenses out of Chase account #xxx0752 which she was a co-signor on and sometimes this account did not have enough money in it. For that reason she would oftentimes front the money out of her personal Chase Bank account, hence the reason for so many Sober Solutions Transitional Housing checks drawn on Chase Bank account #xxx0752 payable to Hibbler, because they were reimbursement checks for money Hibbler had fronted out of her own pocket.

Relative to the withdrawal slips that listed Wells Fargo as the payee Hibbler informed us that this was money that was supposed to go toward a Sober Solutions mortgage loan for one of the properties. This loan was with Wells Fargo and the Sewells wanted the loan payments in the form of cashier checks. When Hibbler discovered that there was not enough money in the Sober Solutions account #xxx0752 after she had withdrawn the mortgage money, she refunded the cashier's checks back into the Sober Solutions account. Hibbler told me that she felt it was more important for utilities to be paid rather than the mortgage so that the residents' water or electricity would not be shut off.

I asked her about the Comcast account that was thousands of dollars in the rears according to the Sewells. Hibbler told us that cable was not as important as water and electricity and that she paid water and electricity first before she would pay the Comcast dues and that is why the Sewell's owed so much on the Comcast bill.

Hibbler provided me with a document which listed her name as the Agent Name for Sober Solutions Transitional Housing Nonprofit (which is separate from the LLC).

I researched the UBI number listed on this document (603395461) with the Washington Department of Business Licensing and confirmed that Rosemary Hibbler together with Rosa Remedios and Christopher Gomez (Hibbler's boyfriend) were listed as the "Governing People." The "Entity Type" was listed as "Nonprofit

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Corporation" and the "Entity Name" was "Sober Solutions Transitional Housing."

I also researched the business license for "Sober Solutions Transitional Housing Services LLC" and found that the "Governing People" was "Vincent K. Sewell." The UBI number for this business was 603061446.

Rosemary Hibbler was co-signer on the Sober Solutions LLC account and as such had full authority as the program director to write checks and conduct all banking relative to this account and as far as the LLC is concerned. As such this case is civil in nature. In addition to that Hibbler is listed as one of the governing people on the Sober Solutions Transitional Housing Nonprofit portion of the business. I have not been able to develop probable cause that a crime has been committed and I have advised the Sewells that this was not prosecutable in criminal court.

I am closing this case "not a crime."

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF WASHINGTON THAT ALL STATEMENTS MADE HEREIN ARE TRUE AND ACCURATE AND THAT I AM ENTERING MY AUTHORIZED USER ID AND PASSWORD TO AUTHENTICATE IT (RCW 9A.72.085).

Electronically Signed: Yes Signature: Annette Scholl

Federal Way/King/Washington Date: 01/21/15

Incident Number: 140016249 Nature: Fraud

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FOLLOW UP

FEDERAL WAY POLICE CASE NUMBER: 14-16249

On 01/23/15 I obtained the requested cashier's checks surveillance photos from Quentin Robbins with JP Morgan Chase Bank. The photos showed Rosemary Hibbler conduct the cashier check transactions relative to cashier's check numbers 1060908813, 1060908776, 1060908780, 1060908844, 1032111818 and 1060908871. Quentin Robbins also provide me with information pertaining to where each of the checks was cashed, including check amounts and time and date of the transactions. I have downloaded the surveillance photos and check information into Spillman.

This case remains closed.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF WASHINGTON THAT ALL STATEMENTS MADE HEREIN ARE TRUE AND ACCURATE AND THAT I AM ENTERING MY AUTHORIZED USER ID AND PASSWORD TO AUTHENTICATE IT (RCW 9A.72.085).

Electronically Signed: Yes Signature: Annette Scholl

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Responsible LEO:

Approved by:

Date